

**DRAFT Performance Evaluation Measurement Plan (PEMP)**  
**Paducah Gaseous Diffusion Plant Deactivation and Remediation**  
**Contract Number DE-SOL-0008746**



This PEMP was prepared in accordance with Federal Acquisition Regulation (FAR) 16.401 under CONTRACT NO. [To be inserted] and has been concurred upon and approved.

APPROVED:

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Fee Determining Official, DOE Paducah Gaseous Diffusion Plant

Date

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## Table of Contents

|   |           |
|---|-----------|
| <b>1. Organization and Responsibilities.....</b>                                  | <b>5</b>  |
| <b>1.1. Roles and Responsibilities .....</b>                                      | <b>5</b>  |
| <b>2. Fee Processes .....</b>   | <b>7</b>  |
| <b>2.1. Review requirements .....</b>   | <b>7</b>  |
| <b>2.2. Determine fee value .....</b>   | <b>7</b>  |
| <b>2.3. Draft PEMP and/or revision .....</b>                                      | <b>8</b>  |
| <b>3. Performance Evaluation Documentation .....</b>                              | <b>8</b>  |
| <b>4. Fee Process Documentation .....</b>   | <b>9</b>  |
| <b>5. Fee Plan Change Procedures .....</b>  | <b>10</b> |
| <b>5.1. Method for Changing Plan Coverage .....</b>                               | <b>10</b> |
| <b>6. Incentive Structure .....</b>   | <b>10</b> |
| <b>Exhibit 1 AWARD FEE RATING TABLE .....</b>                                     | <b>14</b> |
| <b>Exhibit 2 AWARD FEE RATING WEIGHTING .....</b>                                 | <b>15</b> |
| <b>Exhibit 3 ADJECTIVAL FACTOR DESCRIPTIONS .....</b>                             | <b>16</b> |
| <b>Exhibit 4 PERFORMANCE BASED INCENTIVES (PBI) AND EVALUATION CRITERIA .....</b> | <b>19</b> |
| <b>Exhibit 5 PBI CERTIFICATE OF COMPLETION.....</b>                               | <b>23</b> |

## Introduction

Federal Acquisition Regulations (FAR) 16.401 through FAR 16.402-4 discuss incentive Contracts and place incentives in two major categories: award-fee (AF) and performance-based incentives (PBI). The term Performance Evaluation Measurement Plan (PEMP) is used to address a fee plan that includes both types of incentives<sup>1</sup>. When measuring performance for award-fee, the Contracting Officer (CO) will document the evaluation using adjectival ratings and their associated descriptions, and award-fee percentages prescribed in Table 16-1 in FAR 16.401.

This document serves as the PEMP for the Paducah Gaseous Diffusion Plant (PGDP) Deactivation & Remediation (D&R) at the Department of Energy (DOE) Paducah site addressing management of Contractor fee provisions of CONTRACT NO. [To be inserted]. This document provides the framework to satisfy the contract clause DOE-H-2060, Base and Award Fee, and the B clauses entitled, Provisional Payment of Fee, and Fee Reductions. It provides standardization necessary to assure effective development, administration, and coordination of all phases of the fee process. In the event of a conflict between the PEMP and the Contract, the Contract takes precedence. Additionally, the PEMP process is integrated with the Contract Management Plan (CMP), the Risk Management Plan (RMP), and the Quality Assurance Surveillance Plan (QASP) to provide a streamlined and comprehensive methodology to consistently capture and report on performance for the D&R program. As such, the evaluation from the PEMP will also be used as input to FAR 42.15, *Contractor Performance Information*, through the Contract Performance Assessment Reporting System (CPARS).

The PEMP was developed with the following objectives:

- Focus the Contractor on areas of greatest importance for success.
  - C-400 Building Deactivation and Subsurface Source Remediation activities.
  - Stabilization and Deactivation activities for Process Buildings C-331, C-333/C-333-A, C-335, C-337/C-337-A, and C-360.
- Clearly communicate Contract performance evaluation procedures and provide for effective communication between the Contractor and the DOE.
- Be kept as simple as possible commensurate with the complexity and dollar value of the Contract.

This PEMP is the basis for the DOE evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance and to determine the amount of fee earned. Actual award fee determinations and the methodology for determining fee are unilateral decisions made solely at the discretion of the Government.

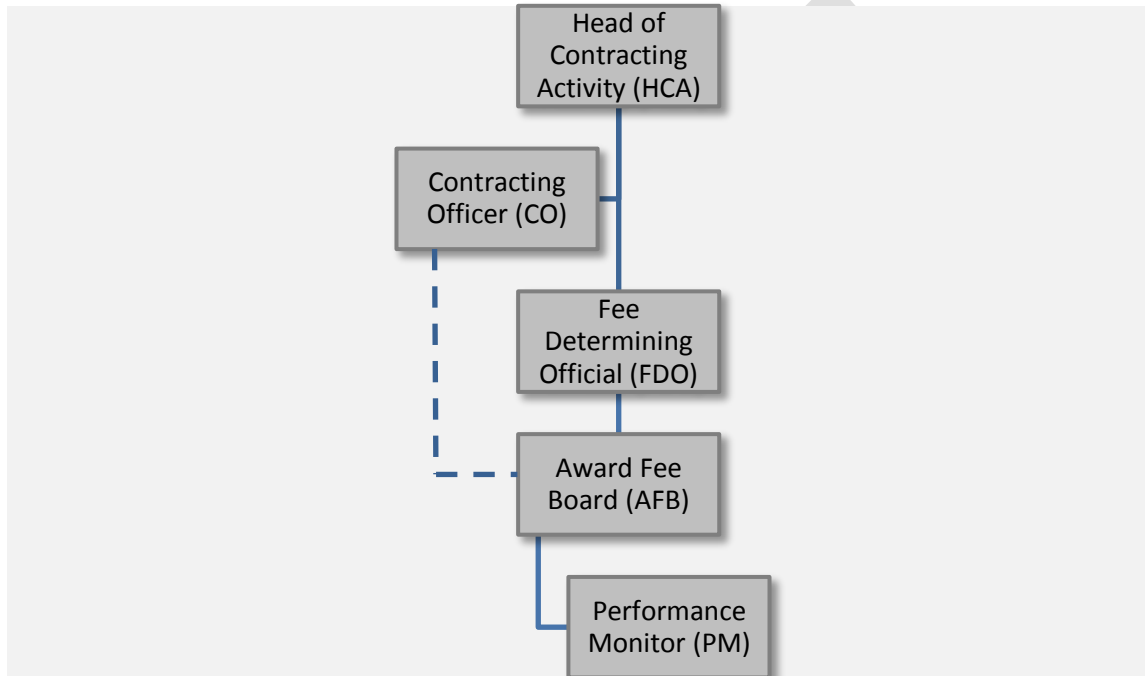
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<sup>1</sup> DOE Acquisition Guide Chapter 16.2R1 (June 2014)

## 1. Organization and Responsibilities

The following responsibility structure is established for administering fee provisions of the Contract. Fee administration consists of a headquarters' contingent providing approval of the original PEMP and associated incentives and any subsequent revisions thereto and approval of the amount of fee to be awarded for each evaluation period, including any fee reduction. Fee administration at the site includes the Fee Determining Official (FDO) and an Award Fee Board (AFB) which consists of a chairperson, co-chairs, Performance Monitors (PM), and the CO.

**Figure 1: Responsibility structure for fee administration**



### 1.1. Roles and Responsibilities

1. FDO. The FDO approves the PEMP and any revisions. The FDO reviews recommendation(s) of the AFB, considers all pertinent data, and determines the earned fee amount for each evaluation period prior to final approval. Primary FDO responsibilities are:
  - Determine the fee earned and payable for each evaluation period as addressed in Section 3, *Method for Determining Fee*.
  - Approve changes to the PEMP as addressed in Section 5, *Changes in PEMP Coverage*.
  - Appoint members to the AFB (including the chair and co-chair).
2. CO. The CO ensures the fee process is properly administered in accordance with agency regulations and the terms of the Contract. The CO modifies the Contract when the PEMP is issued or revised during the term of the Contract. Primary CO responsibilities are:
  - Concur on the PEMP and any revisions.

- Ensure fee process is managed consistent with applicable acquisition regulations.
  - Meet with the Contractor periodically during each evaluation period.
  - Submit an Award Fee Report (AFR) to the FDO.
  - Issue PEMP revisions as necessary prior to each evaluation period in accordance with the terms of the Contract.
  - Support the AFB in monitoring, evaluating, and assessing the Contractor's performance against performance objectives and measures set forth in this PEMP.
  - Attend all AFB meetings and assist the chair in preparing award fee correspondence for the FDO.
  - Coordinate the administrative actions required by the AFB and the FDO, including:
    - Receive, process, and distribute evaluation reports from all required sources.
    - Schedule and assist with internal evaluation milestones, such as briefings to the FDO and debriefings to the Contractor.
    - Accomplish other actions required to ensure smooth operation of the award fee process.
3. COR. The COR maintains written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. Prepare interim and end-of-period evaluation reports. Primary responsibilities of the COR are:
- Monitor, evaluate, and assess the Contractor's performance in accordance with the PEMP.
  - Meet with the Contractor periodically during each evaluation period to discuss concerns or issues related to the Contractor's performance.
  - Provide management support to the CO and AFB chair during the term of the contract.
4. AFB. The AFB is chaired by the PGDP Site Lead.

The primary responsibilities of the AFB are:

- Monitor, evaluate, and assess the Contractor's performance in accordance with the PEMP.
- Meet with the Contractor periodically during each evaluation period to discuss concerns or issues related to the Contractor's performance.
- Provide quarterly Contractor performance briefings to the FDO.
- Collect evaluation inputs for use in the development of the Interim and Annual Evaluation.
- Develop an AFR discussing the Contractor's performance and containing recommended ratings, and corresponding award fee earned for each evaluation period (Performance Evaluation Report format is preferred). The AFR shall include an appendix of all minority opinions.
- Develop and coordinate proposed changes to the PEMP and recommend those changes to the FDO for incorporation into the PEMP.

The primary responsibilities of the Chair are to:

- Assign members of the AFB, including Performance Monitors (PM).
  - Review the evaluation reports prepared by members of the AFB and provide feedback as needed.
  - Consider the Contractor's self-assessment and any minority opinions prior to approving the AFR and any revisions thereto.
  - Approve the AFR and provide recommended ratings, and corresponding fee earned to the FDO.
  - Ensure that the AFR is issued to the CO, COR and FDO.
  - The Co-chairs are authorized to assume the roles and responsibilities delegated to the Chair in his/her absence.
  - Provide the FDO with a quarterly briefing on performance, addressing each of the performance goals
  - Consult with the FDO prior to mid-term feedback session with the Contractor
  - Arrange periodic site visits
  - Communicate any critical performance issues to the CO, COR and FDO.
5. PM. The PM is the federal technical expert who monitors, evaluates, and maintains written records of the Contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. The PM prepares interim and end-of-period evaluation reports as directed by the AFB.

## **2. Fee Processes**

### **2.1. Review requirements**

The AFB works routinely with the CO to:

- Review current and emerging agency and Contract requirements, including recent revisions/modifications to these requirements.
- Determine mission strategies specific to the Contract.
- Recommend fee distribution, including any revisions to the PEMP.

### **2.2. Determine fee value**

Fee described herein is earned based upon the Contractor's performance of the overall contract level requirement during the evaluation period. The Contractor begins the evaluation period with 0% of the available fee and earns fee during the evaluation period. Final fee determination for each evaluation period is the unilateral decision of the FDO. The potential for the Contractor to earn 100% of the fee amount is a mutual goal of the Contractor and the Government, as it demonstrates the program's objectives were clearly communicated and achievable. Additionally, provisional payment of a proportional quarterly amount equivalent to seventy-five percent (75%) of the available fee for the evaluation period will be allowed.

The amount of proposed fee applied to any individual activity (fee-bearing work) is determined first by mission need, followed by fiscal responsibility to stakeholders by

comparing the cost of work against quality results for significant Contract level performance. The AFB develops and uses criteria to determine Contract costs as a factor in measuring performance in accordance with Appendix 1..

### **2.3. Draft PEMP and/or revision**

- The AFB works with the COR and PM to develop completion and acceptance criteria, including completion documentation, for fee bearing work. The criteria are documented in the PEMP.
- The FDO and CO provide concurrence on documents.
- The CO begins coordinating review of the PEMP for the subsequent evaluation period at least 75 days prior to the start of that period.
- CO modifies Contract as necessary to incorporate any revisions to the PEMP.

### **3. Performance Evaluation Documentation**

Contract performance will be monitored and evaluated routinely through oversight of operations and regularly scheduled meetings by the AFB. The Contractor will be required to demonstrate proactive management principles to optimize worker safety, reduce risks, control costs, and provide consistent excellence in documented results. Performance is measured using objective measures (generally consisting of a final product or completion/delivery by a pre-determined date) and subjective measures using a pre-established format (adjectival) provided in FAR 16.

The method for monitoring, evaluating, and assessing Contractor performance during the period, as well as for determining the fee earned, is described below.

1. The available fee is shown in Contract Section B.2, *Cost-Plus-Award-Fee Contract: Total Estimated Cost and Award Fee*. The fee earned will be paid based on the Contractor's performance during the evaluation period.
2. In accordance with the requirements of the Contractor Performance Assessment Reporting System (CPARS), performance evaluation and reporting is required every 12 months. Assessment is completed for the performance which has occurred since the last evaluation period. An Interim Evaluation may also be completed at the midpoint of the evaluation period. The CO notifies AFB members and PMs 30 calendar days before the midpoint of the evaluation period if an interim evaluation is to be conducted. PMs assess the Contractor's performance and submit interim evaluation inputs. The AFB evaluates PM input and notifies the Contractor of the strengths and weaknesses for the current evaluation period. The CO may also issue letters at any other time when it is deemed necessary to highlight areas of government concern.
3. The Contractor may provide a written self-evaluation of performance no later than 21 calendar days after the end of each evaluation period. The self-evaluation shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence. In other

words, the self-evaluation should clearly assess the Contractor's measured performance against the standard of excellence.

4. The annual evaluation is considered the End-of-Period Evaluation. The CO notifies AFB members and PMs at least 30 calendar days before the end of the evaluation period. AFB members assess the Contractor's performance and submit end-of-period evaluation reports. The AFB shall evaluate the Contractor's performance in the major areas identified in this PEMP based upon performance objectives and measures set forth in the appendices to this document.
5. The AFB prepares its evaluation report and recommended ratings and corresponding award fee earned based on the evaluation criteria described in Exhibit 3, Adjectival Factor Descriptions, and Appendix 4, Performance Based Incentives (PBI) and Evaluation Criteria, with supporting documentation to include all minority opinions.
6. The AFB briefs the evaluation report and recommendations to the FDO. At this time, the AFB may also recommend to the FDO any revisions to the PEMP.
7. The FDO may consider all available information including: the Award Fee Report (AFR); information originating from day-to-day operations; the Contractor's optional self-evaluation; and his/her own observations relating to the performance objectives in determining the amount of award fee earned during the period. DOE will use its best efforts to determine the award fee earned and issue an award fee determination letter to the Contractor within 90 calendar days after the end of the evaluation period.
8. The FDO may also consider fee reductions according to Contract Clause B.9, *Fee Reductions*, and B.10, *Small Business Subcontracting Fee Reduction*.
9. The FDO provides final fee amount to the CO.
10. The CO issues a Contract modification authorizing payment of the award fee earned amount.

#### **4. Fee Process Documentation**

1. The AFB is responsible for documenting evaluations and assessments conducted, results obtained, award fee meetings with Contractor personnel, and maintaining a file of backup documentation to the PEMP. The AFB Official Contract File will contain all of the documentation developed by the AFB.
2. The CO, in coordination with the Office of Chief Counsel, will make a recommendation to the FDO as to what information should be released to the Contractor to accompany the fee determination letter. The CO may elect to use the AFB documentation as a basis to satisfy requirements of FAR 42.15, *Contractor Performance Information*, through the Contract Performance Assessment Reporting System (CPARS).

## 5. Fee Plan Change Procedures

### 5.1. Method for Changing Plan Coverage

The method to be followed for changing plan coverage is the same procedure as Section 2, Fee Processes.

1. Personnel involved with the fee process are encouraged to recommend changes in Plan coverage with a view toward changing Performance Areas, motivating higher performance levels or improving the award fee determination process.
2. The AFB will coordinate identified changes with the Contractor. Approximately 60 calendar days prior to the end of each evaluation period, the AFB will submit to the FDO for approval proposed changes applicable to the next evaluation period, with appropriate comments and justification, or inform the FDO that no changes are recommended for the next period.
3. The CO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the CO, in writing, before the start of the affected evaluation period. The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

## 6. Incentive Structure

The incentives will be divided into two components: 1) Adjectival Rating Categories of Performance and 2) Performance Based Incentives (PBI).

- a. Adjectival Rating Categories of Performance: This component has been divided into the following sub-component incentives: quality, schedule, cost control, management and regulatory compliance, see Exhibit 2. Each sub-component incentive will be evaluated separately and will receive an adjectival rating ranging from Unsatisfactory to Exceptional.

The total available award fee is allocated to each Fiscal Year (FY) period in accordance with Table 1 below.

**Table 1: Available Award Fee**

| Gov't Fiscal Year | Award Fee by Period/Years (in \$M)* |
|-------------------|-------------------------------------|
| FY17 (Transition) | TBD                                 |
| FY18              | TBD                                 |
| FY19              | TBD                                 |
| FY20              | TBD                                 |
| FY21              | TBD                                 |
| FY22 (partial)    | TBD                                 |
| Base Period Total | TBD                                 |

|   |     |
|---|-----|
| FY22 (partial)  | TBD |
| FY23  | TBD |
| FY24  | TBD |
| FY25 (partial)  | TBD |
| Option Period 1 Total   | TBD |
|   |     |
| FY25 (partial)  | TBD |
| FY26  | TBD |
| FY27 (partial)  | TBD |
| Option Period 2 Total   | TBD |
|   |     |
| Contract Total  | TBD |
| <p>* Table 1, <i>Available Award Fee</i>, illustrates the award fee earning potential following the evaluation process below, and is based on the amounts in Section B.2, Table B.2-2. An effort will be made to align the evaluation periods with the Government fiscal year, and the initial and final evaluation period(s) may constitute more or less than twelve months.</p> |     |

- b. PBIs: PBI Fee will be earned based on the successful completion of deactivation and remediation activities set forth in the PWS. A list of the PBIs for the Base and Option Periods are as follows:

**Table 2: Performance Based Incentives**

| CLIN  | CLIN Title                      | PBI Elements  | Discrete PBI Value |
|---|---------------------------------|---|--------------------|
| <b>Base Period of Performance (60 months)</b> |                                 |   |                    |
| 0101  | Base Operations and Remediation | C-400 Building Subsurface Source Remediation - 100% completion of the subsurface investigation<br><b>PBI 0101-A:</b> Complete C-400 complex investigation including waste disposal by 07/31/2020.   | [\$TBP]            |
| 0105  | Stabilization and Deactivation  | NDA characterization of process equipment in process facilities C-331, C-333/C-333-A, C-335, C-337/C-337-A, and C-360.<br><b>PBI 0105-A:</b> Complete the revisions and gain approval of NCSEs to ensure double contingency on process equipment 30 months after transition.<br><b>PBI 0105-B:</b> Complete the development of NDA capability and CI limits for "00" facilities 30 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.<br><b>PBI 0105-C:</b> Complete all NDA measurements for the "00" facilities 60 months after transition. Measurements must be independently validated by a third party.<br><b>PBI 0105-D:</b> Complete development of NDA capability and CI limits for "000" facilities 60 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.<br><b>PBI 0105-E:</b> Complete the revisions of NCSEs to | [\$TBP]            |

| CLIN  | CLIN Title                     | PBI Elements  | Discrete PBI Value |
|---|--------------------------------|---|--------------------|
|   |                                | <p>ensure double contingency on process equipment in C-360 24 months after transition.</p> <p><b>PBI 0105-F:</b> Complete the development of NDA capability and CI limits for C-360 24 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.</p> <p><b>PBI 0105-G:</b> Complete all NDA measurements for C-360 within 48 months after transition. Measurements must be independently validated by a third party.</p> <p>Complete deactivation of the C-400 Cleaning Facility Work Zones 7, 8, 9 and 12 through 18.</p> <p><b>PBI 0105-H:</b> Complete deactivation of all work zones and disposition of all wastes by 9/30/2020.</p>   |                    |
| <b>Option 1 Period of Performance (36 months)</b> |                                |   |                    |
| 0205  | Stabilization and Deactivation | <p>NDA characterization of process equipment in process facilities C-333/C-333-A and C-337/C-337-A.</p> <p><b>PBI 0205-A:</b> Complete all NDA measurements for the “000” facilities 84 months after transition. Measurements must be independently validated by a third party.</p> <p>NDA characterization and deposit removal from loose converters and compressors.</p> <p><b>PBI 0205-B:</b> Complete all NDA measurements on loose converters and compressors. Measurements must be independently validated by a third party. Complete 72 months after transition.</p> <p><b>PBI 0205-C:</b> Uranium deposit removal to be less than CI limits for each of the loose converters and compressors (assuming 5% of all process equipment components will be above CI limits) and also meet target waste acceptance criteria for total elemental uranium of 100,000 mg/kg. Complete 96 months after transition.</p> <p>Uranium deposit removal from C-360.</p> <p><b>PBI 0205-D:</b> Uranium deposit removal to be less than CI limits for C-360 (assuming 5% of all process equipment components will be above CI limits) and also meet target waste acceptance criteria for total elemental uranium of 100,000 mg/kg. Complete 96 months after transition.</p> | [\$TBP]            |

| Option 2 Period of Performance (24 months) |                                |  |         |
|--|--------------------------------|--|---------|
| 0305                                       | Stabilization and Deactivation | <p>Uranium deposit/hold-up removal from process facilities C-331, C-333/C-333-A, C-335, and C-337/C-337-A.</p> <p><b>PBI 0305-A:</b> Removal and disposition of uranium deposits/hold-up to be less than CI limits (assuming 5% of all process equipment components will be above CI limits) for each process equipment component and also meet target waste acceptance criteria for total elemental uranium of 100,000 mg/kg. Complete 116 months after transition.</p> | [\$TBP] |

This component includes PBIs for work to be performed during each evaluation period. PBIs for the Base Period are provided in Exhibit 4, Performance Based Incentives (PBI) and Evaluation Criteria. The specific performance criteria for each PBI element will be determined prior to the annual interim evaluation period and an award fee amount assigned. Each element of the PBI will be evaluated as identified in Exhibit 4. DOE may, at its sole discretion, allow partial provisional fee or earned fee within the PBI element, based on the work completed. DOE will issue a contract modification when annual PBIs are revised.

The Contractor shall sign/certify and submit to DOE a *Certification of Completion* for each PBI completed, see Exhibit 5. The *Certificate of Completion* for each PBI shall include supporting documentation such as acceptance/test reports, shipping manifest or other proof of completion. The *Certificate of Completion, including all supporting documentation* shall be delivered to DOE within 15 days of PBI completion or the end of the evaluation period. If the Contractor determines that the *Certificate of Completion* submitted is incomplete or requires an update, the Contractor shall immediately notify DOE and resubmit a revised *Certificate of Completion* along with the updated/revised associated documentation attached. The certificate may be executed by any person authorized to bind the Contractor.

**Exhibit 1**  
**AWARD FEE RATING TABLE**

| UNSATISFACTORY  | SATISFACTORY  | GOOD  | VERY GOOD   | EXCELLENT   |
|---|---|---|---|---|
| 0% Earned   | No Greater than 50%   | 51-75% Earned   | 76-90% Earned   | 91-100% Earned  |
| Contractor <u>has failed</u> to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period | Contractor <u>has met</u> overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. | Contractor has <u>exceeded some</u> of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. | Contractor has <u>exceeded many</u> of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. | Contractor has <u>exceeded almost all</u> of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. |

**Adjectival Rating Notes**

**EXCELLENT (91-100%)**

Performance is of the highest quality that could be achieved under the contract. There are no areas of deficiencies or problems encountered during the evaluation period.

**VERY GOOD (76-90%)**

Performance is of high quality and approaching the best that could be performed by the contractor. Work completed greatly exceeds the average performance level. A few minor problems are experienced during the evaluation period without impacting the overall level of performance.

**GOOD (51-75%)**

Contractor exceeds some contract requirements in a manner demonstrating commitment to the program. Work is completed much better than the minimum required performance. Areas of deficiency and minor problems are more than off-set by areas of good performance.

**SATISFACTORY (<=50%)**

Contractor's performance is the minimum required level to meet needs. Areas of good performance are offset by deficiencies and problems, which reduces performance to a level that is minimally acceptable under the contract.

**UNSATISFACTORY (0%)**

Contractor does not meet minimum contract requirements.

**Exhibit 2**  
**AWARD FEE RATING WEIGHTING**

| <b><u>ADJECTIVAL RATING CATEGORIES OF PERFORMANCE</u></b> | <b><u>WEIGHTINGS</u></b> |
|---|--------------------------|
| 1. Quality  | TBD%                     |
| 2. Schedule   | TBD %                    |
| 3. Cost Control   | TBD %                    |
| 4. Management   | TBD %                    |
| 5. Regulatory Compliance                                  | TBD %                    |

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**Exhibit 3**  
**ADJECTIVAL FACTOR DESCRIPTIONS**

|   |
|---|
| <b>QUALITY (TBD %)</b>  |
| <ul style="list-style-type: none"><li>• The Contractor will be evaluated on the quality and effectiveness of their policies, plans, and procedures governing Contractor activities.</li><li>• The Contractor will be evaluated on their application and incorporation of QA, Security and Safety principles and requirements into work scopes, subcontracts and specific programs and efforts, including but not limited to, ISMS, radiological protection, environmental protection, industrial safety, security (includes Cyber-Security), nuclear safety, waste shipping, emergency management, waste minimization, Conduct of Operations, QA, and work planning initiatives.</li><li>• The Contractor will be evaluated on their ability to effectively and timely identify, manage, prevent or correct, report and resolve deficiencies. Contractor will also be evaluated on the thoroughness of their response to deficiencies to prevent recurrence of the deficiency including the manner and adequacy of tracking, trending, and root cause/lessons learned analyses, reporting, and formal closure process.</li><li>• The Contractor will be evaluated on the quality and effectiveness of all contractual deliverables, including, but not limited to regulatory submittal (e.g., Federal Facility Agreement documents, permits), Safety Basis Documents, optimization plans, Security Plans, etc.</li><li>• The Contractor will be evaluated on their performance of S&amp;M, including maintaining roof warranties.</li></ul> |
| <b>SCHEDULE (TBD %)</b>   |
| <ul style="list-style-type: none"><li>• The Contractor will be evaluated on the timeliness of the completion of the contractual deliverables. 100% of deliverables must be provided on time in order to achieve at least a satisfactory rating.</li><li>• The Contractor will be evaluated on the timeliness of the completion of the contractual milestones (field work).</li><li>• The Contractor will be evaluated on overall and specific program and project status performance against and the approved baseline.</li><li>• The Contractor will be evaluated on their ability to respond to in-scope requests for support or information/reports.</li><li>• The Contractor will be evaluated on its ability to submit timely, accurate, and auditable proposals in response to requests for proposals or change orders.</li><li>• The Contractor will be evaluated on their ability to minimize deferred maintenance on equipment or systems that are related to safety (regardless if they are accredited in the Safety</li></ul>  |

Basis Documents or TSRs. Additionally, the Contractor will be evaluated on their ability to repair all system impairments on safety related systems within 90 days.

**COST CONTROL (TBD %)**

- The Contractor will be evaluated on the overall timeliness and quality of the Baseline (Initial and Final). If the Contractor fails to submit the required baselines in accordance with the contract timeframes and criteria, this entire category of performance shall be rated as unsatisfactory for each quarter and may be rated no higher than satisfactory for the annual rating period.
- The Contractor will be evaluated on effectiveness in forecasting, managing, and controlling contract cost.
- The Contractor will be evaluated on the effectiveness, timeliness and adequacy of its ability to perform tasks in the most cost effective manner consistent with approved baselines.
- The Contractor will be evaluated on developing and presenting, initiatives which result in tangible savings to DOE (cost or risk).
- The Contractor will be evaluated on how costs are tracked and reported. This includes the accuracy of Estimate at Completion (EAC), accuracy of cost projections and effectiveness of baseline change management.
- The Contractor will be evaluated on overall and specific program and project status performance against and the approved baseline, and the effectiveness of program and project reporting tools and systems.

**MANAGEMENT (TBD %)**

- The Contractor will be evaluated on how effectively programs and projects are managed.
- The Contractor will be evaluated on the effectiveness of senior managers to overall contract management, effectiveness of support to DOE, providing leadership to the work force and ensuring an overall positive safety and performance culture.
- The Contractor will be evaluated on their effectiveness in coordinating with and applying lessons learned from PORTS or other DOE/Commercial site when implementing similar operations.
- The Contractor will be evaluated on the effectiveness of coordination with the Infrastructure Contractor or other Site Contractors to support and implement provided services as described in the Interface Requirements Matrix of the Contract and the reduction of costs to implement these services.
- The Contractor will be evaluated on the number of items and overall volume of equipment and materials transferred to PACRO. Transfer is defined as PACRO taking ownership of the equipment and materials and physically removing it from the site.

- Effective implementation contractor human resources management requirements.
- Fulfilling expectations of the Contractor's Community Commitment Plan.

**REGULATORY COMPLIANCE (TBD %)**

- The Contractor will be evaluated on their compliance with all applicable Environmental Regulations (applicable local, state and federal regulations), Regulatory Agreements (e.g., Agreed Orders, Negotiated Settlements, TSCA FFCA, FFA, FFA SMP) and Permits. This includes the timeliness and effectiveness of implementing corrective actions (short term and long term) for NOV or other non-compliances.
- The Contractor will be evaluated on their compliance with standard business/accounting systems/practices and all applicable regulations (DOE Policies, Orders and Standards, FAR, etc.).
- The Contractor will be evaluated on their compliance with DOE Security/Cyber-Security Requirements (e.g., Executive Orders, DOE Policies, Orders and Standards, site security plans, and cyber-security directives) and DOE security-related promulgated regulations including, but limited to, 10 CFR 824, 10 CFR 1046, 10 CFR 1016, 10 CFR 1045.
- The Contractor will be evaluated on their compliance with DOE ESH&QA Requirements (e.g., Executive Orders, DOE Policies, Orders Directives, and Standards, and implementing plans) and DOE Safety/QA related promulgated regulations including, but limited to, 10 CFR 851, 10 CFR 830 Subpart A 10 CFR 830 Subpart B, and 10 CFR 835.
- The Contractor will be evaluated on their compliance with CERCLA Removal and Remedial implementing documents (e.g., RODs, AMs, RAWPs, and Sampling Plans).
- The Contractor will be evaluated on their compliance with all other applicable regulatory requirements (e.g., Executive Orders, DOE Policies, Orders Directives, and Standards, and implementing plans); regulations (applicable local, state and federal regulations); or cited ANSI standards.

**Exhibit 4**  
**PERFORMANCE BASED INCENTIVES (PBI)**  
**AND EVALUATION CRITERIA**

| Incentive   | PBI VALUE (\$) |
|---|----------------|
| <b>Base</b>   |                |
| <b>PBI 0101-A:</b> Complete C-400 complex investigation including waste disposal by 07/31/2020  | [\$TBP]        |
| <b>PBI 0105-A:</b> Complete the revisions and gain approval of NCSEs to ensure double contingency on process equipment 30 months after transition.  | [\$TBP]        |
| <b>PBI 0105-B:</b> Complete the development of NDA capability and CI limits for “00” facilities 30 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed. | [\$TBP]        |
| <b>PBI 0105-C:</b> Complete all NDA measurements for the “00” facilities 60 months after transition. Measurements must be independently validated by a third party.   | [\$TBP]        |
| <b>PBI 0105-D:</b> Complete development of NDA capability and CI limits for “000” facilities 60 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.    | [\$TBP]        |
| <b>PBI 0105-E:</b> Complete the revisions of NCSEs to ensure double contingency on process equipment in C-360 24 months after transition.   | [\$TBP]        |
| <b>PBI 0105-F:</b> Complete the development of NDA capability and CI limits for C-360 24 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.           | [\$TBP]        |
| <b>PBI 0105-G:</b> Complete all NDA measurements for C-360 within 48 months after transition. Measurements must be independently validated by a third party.  | [\$TBP]        |
| <b>PBI 0105-H:</b> Complete deactivation of all work zones and disposition of all wastes by 9/30/2020.  | [\$TBP]        |
| <b>Total Base Award Fee Available</b>   | [\$TBP]        |

**PBI Evaluation Criteria**

|   |   |                      |
|---|---|----------------------|
| PBI 0101-A (See Section C EM.PA.0040.A005.10.DR.01) | C-400 Building Subsurface Groundwater Source Remediation  | Completion Date: TBD |
| Performance Objective                               | Complete C-400 complex investigation including waste disposal by 07/31/2020   |                      |
| Performance Criteria Measures/Surveillance Method   | This incentive will be measured by evaluating whether the specified deliverables were submitted and approved by regulatory agencies in accordance with the due date.  |                      |
| Performance Target                                  | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months) |                      |

|   |   |                      |
|---|---|----------------------|
| PBI # 0105-A (See Section C EM.PA.0040.A008.48.DR.01) | NDA Characterization for Deposit/Hold-up Removal for the Process Facilities   | Completion Date: TBD |
| Performance Objective                                 | Complete the revisions and gain approval of NCSEs to ensure double contingency on process equipment 30 months after transition.   |                      |
| Performance Criteria Measures/Surveillance Method     | This incentive will be measured by evaluating whether the Contractor met the completion and approval date for revisions to NCSEs.   |                      |
| Performance Target                                    | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months) |                      |

|   |   |                      |
|---|---|----------------------|
| PBI # 0105-B (See Section C EM.PA.0040.A008.48.DR.01) | NDA Characterization for Deposit/Hold-up Removal for the Process Facilities   | Completion Date: TBD |
| Performance Objective                                 | Complete the development of NDA capability and CI limits for “00” facilities 30 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.  |                      |
| Performance Criteria Measures/Surveillance Method     | This incentive will be measured by evaluating whether the Contractor met the completion date for developing the NDA capability necessary to characterize the “00” process facilities including passing a DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach). The Contractor must also have developed and received DOE approval of the CI limits for the “00” facilities by the due date. |                      |
| Performance Target                                    | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months)   |                      |

|   |  |                      |
|---|--|----------------------|
| PBI # 0105-C (See Section C EM.PA.0040.A008.48.DR.01) | NDA Characterization for Deposit/Hold-up Removal for the Process Facilities  | Completion Date: TBD |
| Performance Objective                                 | Complete all NDA measurements for the “00” facilities 60 months after transition. Measurements must be independently validated by a third party.   |                      |
| Performance Criteria Measures/Surveillance Method     | This incentive will be measured by evaluating whether the Contractor met the milestone date for completing all NDA measurements for the “00” process facilities including successful independent validation of results by a 3rd party. |                      |
| Performance Target                                    | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months)              |                      |

|   |   |                      |
|---|---|----------------------|
| PBI # 0105-D (See Section C EM.PA.0040.A008.48.DR.01) | NDA Characterization for Deposit/Hold-up Removal for the Process Facilities   | Completion Date: TBD |
| Performance Objective                                 | Complete development of NDA capability and CI limits for “000” facilities 60 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.   |                      |
| Performance Criteria Measures/Surveillance Method     | This incentive will be measured by evaluating whether the Contractor met the completion date for developing the NDA capability necessary to characterize the “000” process facilities including passing a DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach). The Contractor must also have developed and received DOE approval of the CI limits for the “000” facilities by the due date. |                      |
| Performance Target                                    | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months)   |                      |

|  |   |                      |
|--|---|----------------------|
| PBI # 0105-E (See Section C EM.PA.0040.A008.48.DR.01.05) | NDA Characterization of C-360 Facility  | Completion Date: TBD |
| Performance Objective                                    | Complete the revisions of NCSEs to ensure double contingency on process equipment in C-360 24 months after transition.  |                      |
| Performance Criteria Measures/Surveillance Method        | This incentive will be measured by evaluating whether the Contractor met the completion date for revisions to NCSEs.  |                      |
| Performance Target                                       | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months) |                      |

|  |   |                      |
|--|---|----------------------|
| PBI # 0105-F (See Section C EM.PA.0040.A008.48.DR.01.05) | NDA Characterization of C-360 Facility  | Completion Date: TBD |
| Performance Objective                                    | Complete the development of NDA capability and CI limits for C-360 24 months after transition. DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach) must be passed.  |                      |
| Performance Criteria Measures/Surveillance Method        | This incentive will be measured by evaluating whether the Contractor met the completion date for developing the NDA capability necessary to characterize the C-360 Facility including passing a DOE Performance Demonstration Program (PDP) test (or DOE approved alternative approach). The Contractor must also have developed and received DOE approval of the CI limits for the C-360 Facility by the due date. |                      |

|                    |   |
|--------------------|---|
| Performance Target | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months) |
|--------------------|---|

|   |   |                      |
|---|---|----------------------|
| PBI # 0105-G (See Section C EM.PA.0040.A008.48.DR. 01.05) | NDA Characterization of C-360 Facility  | Completion Date: TBD |
| Performance Objective                                     | Complete all NDA measurements for C-360 within 48 months after transition. Measurements must be independently validated by a third party.   |                      |
| Performance Criteria Measures/Surveillance Method         | This incentive will be measured by evaluating whether the Contractor met the milestone date for completing all NDA measurements for the C-360 Facility including successful independent validation of results by a 3rd party. |                      |
| Performance Target  | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months)     |                      |

|   |   |                      |
|---|---|----------------------|
| PBI # 0105-H (See Section C EM.PA.0040.A008.48.DR.03) | C-400 Deactivation  | Completion Date: TBD |
| Performance Objective                                 | Complete deactivation of all work zones and disposition of all wastes   |                      |
| Performance Criteria Measures/Surveillance Method     | This incentive will be measured by determining whether the Contractor completed the deactivation of designated C-400 work zones by the milestone date including disposition of all wastes. Disposition of waste means the waste has been removed from the facilities and sent to the final disposition point. |                      |
| Performance Target                                    | 100% fee is available for this PBI upon completion of PBI by the completion date. For every calendar day of delay beyond the completion date, fee will be reduced pro rata until to zero fee (completion date + 2 months)   |                      |

## **Exhibit 5 PBI CERTIFICATE OF COMPLETION**

### **Certificate of Completion**

“I certify performance completion of PBI #\_\_\_\_\_. This certification of completion is made in good faith; the supporting data (included as an attachment) are accurate and complete to the best of my knowledge and belief; the amount requested accurately reflects the amount of fee for which the Contractor believes is correct; and I am duly authorized to certify the PBI completion on behalf of the Contractor.”

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title